

**TITLE: CIB 98-18 Defense Base Act Insurance--  
Rate for Direct and Host Country Contracts**

**July 1, 1998**

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: Distribution List FAC

FROM: M/OP, Marcus L. Stevenson, Procurement Executive

SUBJECT: Defense Base Act Insurance--Rate for Direct and Host Country Contracts

**CONTRACT INFORMATION BULLETIN 98 - 18**

This CIB supersedes and cancels CIB 97-15 and 98-08. This CIB will continue in effect until cancelled.

Under all USAID direct and Host Country contracts involving any overseas performance, contractors are required by law to provide overseas employees with worker's compensation insurance pursuant to the Longshoremen's and Harbor Workers' Compensation Act (commonly called the "Defense Base Act" or "DBA") (42 U.S.C.1651 et seq.). Effective July 1, 1998, USAID has a contract with Fidelity & Casualty Company of NY, which provides DBA coverage to all USAID direct and Host Country contractors at a guaranteed rate with no minimum premium. The new rate is \$1.84 per \$100 of employee remuneration. Remuneration is defined as salary, plus overseas recruitment incentive and post differential but excludes per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances.

The contractor for this DBA program is:

Fidelity and Casualty Company of NY

333 South Wabash Avenue

Chicago, Il 60604

Point of Contract: Rutherford International, Inc.

5500 Cherokee Avenue, Suite 300

Alexandria, VA 22312

(703) 354-1616

This is interim guidance. Additional guidance will be provided as it becomes available.

All USAID contractors must place DBA insurance with Fidelity and Casualty Company of NY unless they have:

1. A DBA self-insurance program approved by the Department of Labor; or
2. An approved retrospective rating plan for DBA insurance.

This information should be disseminated to all USAID/W and USAID Mission personnel involved with direct and Host Country contracting.

#### Transition Period

Existing policies with CIGNA will be in force until the end of their current policy periods. All new coverage must be obtained from Fidelity and Casualty Company of NY at the \$1.84 per \$100 of employee remuneration rate.

#### Clearances:

JJeckell, M/OP/B/HNE \_\_\_\_\_ Date \_\_\_\_\_  
ECordaro, M/OP/E \_\_\_\_\_ Date \_\_\_\_\_  
JMurphy, M/OP \_\_\_\_\_ Date \_\_\_\_\_